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DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3828 NAZI WAR CRIMES DISCLOSURE ACT **DATE 2007**

DISPATCH NO. EGMW-5790

SECRET/VAPOY CLASSIFICATION

Chief of Base

: Munich

3 MAR 58

INFO: COS/G

FROM: Chief, SR

GENERAL : Operational/REDWOOD/LCIMPROVE/AEBATH

AEBATH Project SPECIFIC :

Reference: ECMW-5772

Action Required: In accordance with paragraph 3 below.

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- 1. The desk has been requested by KUFIRE project approval authorities to furnish clarification of certain aspects of the AEBATH Project. They mentioned that since the renewal of Project AEBATH was contingent upon either transfer or termination of AECAPELIN-1, they were rather surprised when the agent contracted office space for a ten-year period. They further stated that they would appreciate being informed if the conditions of this operation have so changed as to warrant altering the approval recommendations. Lastly, they asked: if there has been no such change, what will be done with the office space upon AECAPELIN-1's transfer or termination?
- 2. In approving the expenditure for office space which you had requested, we assumed you had sufficient funds available in the Project; this, we discover, is not the case, which means that an amendment to the Project will have to be submitted for approval. Additionally, we were not aware that this office-space contract was for a ten-year term. This latter, it seems to us, might prove somewhat difficult to justify.
- 3. In view of the present administrative impasse, we recommend that you prepare a Project Amendment requesting authority for the expenditure of the sums, over and above the present authority, which are necessary to cover the expenses of acquiring the office space. In this same paper, you should also indicate what you will do with this office space after AECAPELIN-1 is transferred out of Munich. (This document could very well include your estimate of costs of breaking the contract should you decide to dispose of the office.) If our security objections as expressed in Reference do not in your studied opinion - pose a sufficiently immediate threat to warrant Subject's removal from Germany by the expiration of the present Project, then we suggest that your request for a Project Amendment be a fairly

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extensive paper, documenting as throughly as possible your need for this man's services, his security and productivity, and your future plans for him including when you will be prepared to release him either for transfer or for the utilization of the PL-110, immigration, and subsequent reassignment. Armedwith this, we will attempt to have your recommendations approved.

Distribution: 0 & 1 - Addressee 2 - COS/G

SECRET/KAPOK

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AIR

BCM4-5790 74-6-63

: Chief of Bese, Munich

2 1 MAR 1958

IMPO: COS/G

: Chief, SR

- : Operational/REDHOOD/LCIMPROFE/AEDLCH
- : ANDATH Project

AE BATH

Action Required: In accordance with paregraph 3 below.

- 1. The dark has been requested by KWTRE project approval authorities to furnish clarification of certain aspects of the ARRITH Project. They mentioned that since the remarks of Project ARRITH was contingent upon either transfer or termination of ARGAPKLIB-1, they were rather surprised them the agent contracted office space for a tem-year pariod. They further stated that they would appreciate being informed if the conditions of this operation have so changed as to warrant altering the approval recommendations. Lastly, they askeds if there has been no such change, that will be done with the office space upon ARGAPKLIB-1°s transfer or termination?
- 2. In approving the expanditure for office space which you had requested, we assumed you had sufficient funds available in the Project; this, we discover, is not the case, which means that an assumement to the Project will have to be submitted for approval. Additionally, we were not aware that this office-space contract was for a ten-year term. This latter, it seems to us, might prove somewhat difficult to justify.
- 3. In view of the present administrative impasse, we recommend that you prepare a Project Americant requesting authority for the expenditure of the sums, over and above the present authority, which are necessary to cover the expenses of acquiring the office space. In this same paper, you should also indicate what you will do with this office space after ANGAPRIAN-1 is transferred out of Numich. (This document could very well include your estimate of costs of breaking the contract should you decide to dispose of the office). Armed with this, we will attempt to have your recommendations approved.

SECRET/KAPOK